

## AMPTP STATEMENT DURING WGA NEGOTIATIONS

Held on December 7, 2007

The second group of proposals listed under the topic “Rejections” represents those proposals that are an absolute roadblock to any further progress in these negotiations. We have had some frank discussion with you about some of these proposals over the past three days. Unfortunately, these discussions have only reinforced our conviction as to how far apart the parties remain. These proposals are completely unacceptable in their present form, or in any altered form. They include:

W-12 a), your Fair Market Value proposal. We remain steadfast in our conviction that fair market value should be determined by the marketplace itself, not by a third party. The notion of appointing an arbitrator or developing a legal system to ascertain monetary values in our business is utterly unacceptable.

Your Reality Program proposals, W-13 a) and b), are a clever disguise to what amounts to a top-down union organizing campaign. And those proposals, by applying the terms and conditions of the MBA to reality programs, render those companies already signatory to your Agreement unable to compete in the development and production of this type of programming.

Your presentation on December 5<sup>th</sup> of an added piece to the Reality Program proposal only widened the gap between us. Your proposal sought to bind the networks, who do not even sit at this bargaining table, to a contractual provision which prohibits them from doing business with those who do not offer the same pension and health provisions as set forth in the MBA. Surely you knew that even if any of us had the authority to make such a commitment, the idea of forcing the networks not to do business with a certain category of producers would be wholly unacceptable to us.

Your Animation proposal, W-14, is likewise unacceptable. As you know, there is another union which has long had jurisdiction over the work you are now seeking to cover by your proposal. We believe that it should be up to the writers in this field, using the procedures carefully established by Congress in the 1940s – in the same legislative act that validates the very existence of Writers Guild of America, East and West – to express their desire as to whether they wish to be represented by the WGA or that other union. It is not for us as Companies to usurp the secret ballot democratic election process established by the National Labor Relations Act by agreeing to another top-down union organization proposal.

Your Industry Standards proposal, W-15 a) – the simple statement here is that we will not allow a provision in a labor agreement to dictate those with whom we can do business.

Your Sympathy Strike proposal, W-22, asks us to allow you to strike because of the existence of a labor dispute with another group. We cannot entertain that principle. The

bargain we strike must include an ironclad pledge of labor peace for the term we agree upon. No exceptions will be entertained.

Lastly, we cannot agree to any new residual formula based upon the concept of "Distributor's Gross." That is, any residual formula that requires payment to be made based upon the receipts of an entity other than the signatory Company is unacceptable to us. Our agreement to share revenues with you must be limited to those revenues actually received by the signatory Company.

Your determination to continue to pursue these initiatives prevents us from making any movement in any other area. Therefore, unless you advise us immediately that these proposals are withdrawn, we see no purpose in continuing these talks.